

July 2011 Update: Agency-guaranteed Mortgage-backed Securities Portfolio

U.S. Department of the Treasury

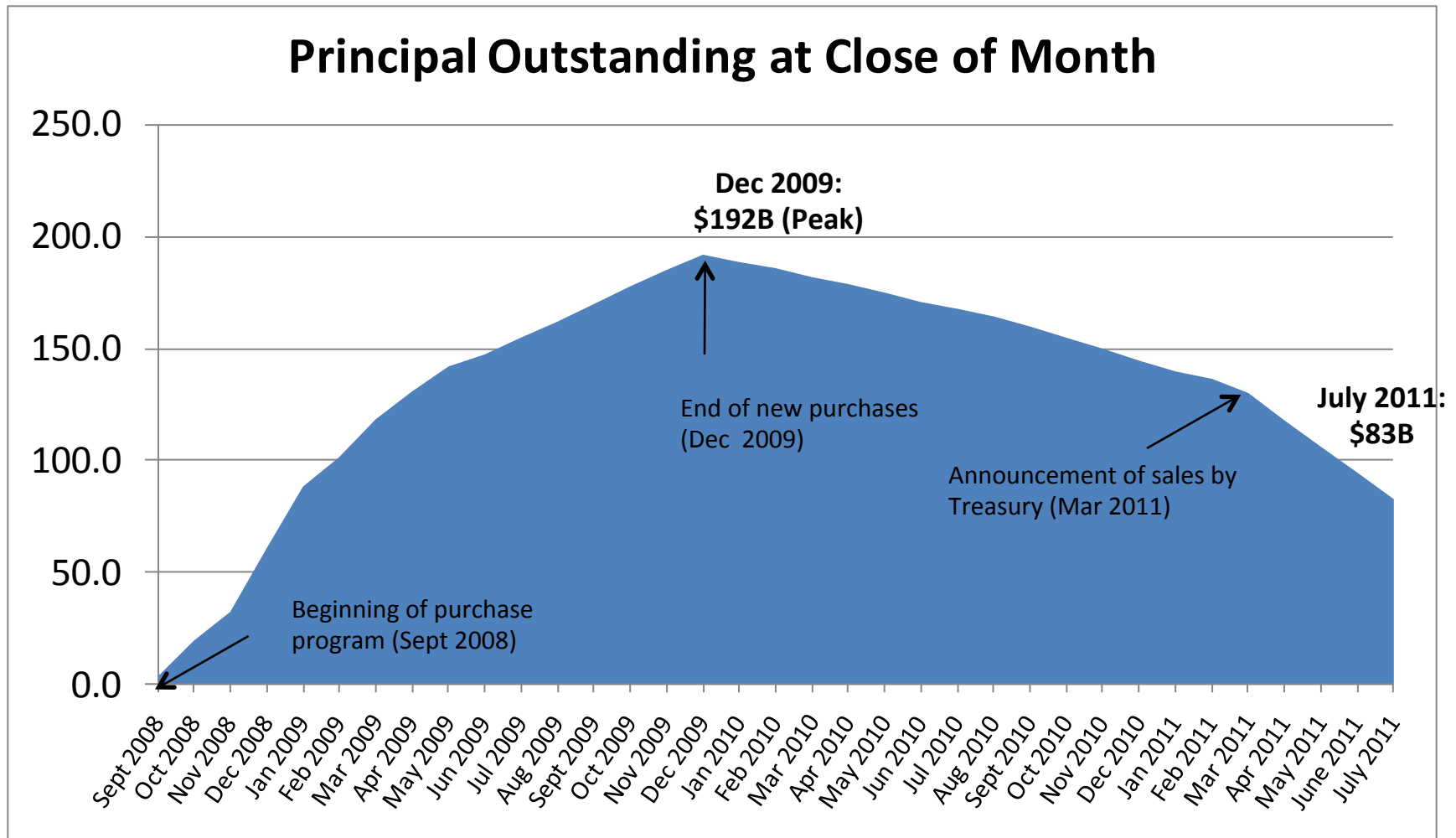


U.S. Treasury Agency-guaranteed MBS Portfolio

Agency-guaranteed MBS Portfolio	Proceeds from Sales by Treasury	Principal and Interest Payments	Total Taxpayer Recoveries
Cumulative through June 2011	\$34.9 billion	\$111.9 billion	\$146.8 billion
July 2011 Results	\$10.5 billion	\$2.2 billion	\$12.7 billion
Cumulative through June 2011	\$45.4 billion	\$114.1 billion	\$159.5 billion

- In 2008 and 2009, Treasury purchased a total of \$225 billion in agency-guaranteed mortgage-backed securities (MBS) under authority provided to it through the Housing and Economic Recovery Act of 2008. *Note: The peak size of this agency-MBS portfolio was \$192 billion in December 2009. While Treasury did not begin to sell its MBS holdings until March 2011, principal repayments have occurred over the life of the portfolio.*
- During the month of July 2011, taxpayers received total proceeds of \$12.7 billion from Treasury's MBS portfolio through sales by Treasury (\$10.5 billion) and principal and interest payments (\$2.2 billion).
- Through the end of July 2011, taxpayers have received cumulative total proceeds of \$159.5 billion from Treasury's MBS portfolio.
- On March 21, Treasury announced that it was commencing the orderly wind down of its MBS portfolio by authorizing the sale of up to \$10 billion in MBS (principal) per month, subject to market conditions.
- Based on current market conditions, Treasury expects to make a profit for taxpayers on its MBS portfolio.

U.S. Treasury Agency-guaranteed MBS Portfolio



Through the end of July 2011, the remaining amount of principal outstanding in Treasury's MBS portfolio is approximately \$83 billion, down 57 percent from a peak of \$192 billion in December 2009. While Treasury did not begin to sell its MBS holdings until March 2011, principal repayments have occurred over the life of the portfolio. (Note: Taxpayers may ultimately receive proceeds in excess of principal through interest payments and sales above face value.)